

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO**

CSI AVIATION, INC.,)	
)	
Plaintiff/Counter-Defendant,)	
)	
v.)	Case No. 1:20-cv-00281-WJ-JFR
)	
UNITED STATES OF AMERICA,)	
)	
Defendant/Counter-Plaintiff.)	
)	

**JOINT STATUS REPORT AND MOTION FOR ADDITIONAL 60 DAY EXTENSION
TO FILE JOINT STATUS REPORT REGARDING SETTLEMENT NEGOTIATIONS**

Plaintiff/Counter-Defendant CSI Aviation, Inc. (“CSI”) and Defendant/Counter-Plaintiff, United States of America provide this Status Report to the Court and move this Court for an additional 60-day extension to file a Joint Status Report regarding settlement negotiations; *i.e.*, to and including, June 2, 2021. In support of this Motion, the parties state:

1. On March 30, 2020, CSI filed a Complaint pursuant to 26 U.S.C. § 7422 seeking a refund of payments it made to the Internal Revenue Service related to federal excise taxes that were assessed against it under 26 U.S.C. § 4261 for 2015 and 2016. ECF No. 1. On October 30, 2020, CSI filed an Amended Complaint to include a refund claim related to the federal excise taxes that were assessed against it for 2017. ECF No. 9.

2. On November 9, 2020, the United States filed an Answer to the Amended Complaint and a Counterclaim. ECF No. 10. The United States denies that CSI is entitled to a refund and seeks to reduce to judgment the federal excise taxes assessed against CSI for 2015 through 2017 in an amount exceeding \$16 million.

3. On November 18, 2020, CSI filed a reply to the Counterclaim, denying that it is liable to the United States for the federal excise taxes assessed against it for 2015 through 2017. ECF No. 16.

4. Pursuant to the Initial Scheduling Order entered on November 9, 2020 (ECF No. 12), the parties were required to meet and confer by December 1, 2020, “to discuss the nature and basis of their claims and defenses, the possibility of a prompt resolution or settlement, and to formulate a provisional discovery plan.” *Id.* at 1. In addition, the parties were required to prepare and file a Joint Status Report and Provisional Discovery Plan by December 14, 2020. *Id.* The Court also ordered the parties to exchange Initial Disclosures under Fed. R. Civ. P. 26(a)(1) within fourteen (14) days of the meet-and-confer session. *Id.* at 2. Finally, the Court scheduled a telephonic Rule 16 Initial Scheduling Conference for December 22, 2020, at 1:30 p.m. *Id.*

5. On December 3, 2020, the parties filed a Joint Motion to Continue the deadline to file a Joint Status Report and Provisional Discovery Plan and to continue the Initial Scheduling Conference to allow the parties time to engage in informal discovery to determine whether they could settle the case without further litigation. ECF No. 18. On December 3, 2020, this Court granted the Joint Motion, and directed the parties to file a Status Report in 60 days to inform the Court on the progress of the informal discovery and settlement discussions. ECF No. 19.

6. On January 27, 2021, the parties filed a second Status Report stating that the United States received responses to its discovery requests on January 21, 2021, consisting of thousands of pages of documents and was currently reviewing and analyzing the documents. ECF No. 20. Accordingly, this Court granted an additional 60-day extension to file the Joint Status Report or until April 2, 2021. ECF No. 21.

7. The United States and the IRS continue their review of the documents provided and are discussing internally how best to proceed in this litigation. The parties therefore request an additional 60-day extension to file a Joint Status Report regarding settlement negotiations; *i.e.*, to and including June 2, 2021. Granting an additional 60-day extension will allow time for the parties to continue exploring settlement, which will conserve judicial resources as well as the parties' resources.

8. Furthermore, on March 23, 2021, Plaintiff's counsel's offices was the victim of an arson attack which rendered the building uninhabitable. A second arson attack occurred this morning, March 30, 2021. The attacks and loss of access to counsel's office has greatly impeded counsel's ability to work effectively. Counsel is in the process of relocating offices and remediating files and materials. The 60-day extension will allow time for counsel to set up alternative arrangements for the firm's operations.

9. The Motion is not being filed for purposes of delay and the relief sought is consistent with the interests of justice.

WHEREFORE, CSI Aviation, Inc. and the United States request that the Court grant an additional 60-day extension to file a Joint Status Report regarding settlement negotiations; *i.e.*, to and including June 2, 2021. A proposed Order is attached to this Motion.

Dated: March 30, 2021

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on March 30, 2021, I electronically filed the foregoing document with the Clerk of the Court by using the CM/ECF system, which will send a notice of electronic filing to the following CM/ECF participants:

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